STATEMENT REFERRED TO IN THE FOREGOING REPORT.

On the re-organisation of McGill University under its Amended Charter, it became apparent that without increased revenues it could not hope to enter on a career of practical usefulness. Its income was insufficient to support the requisite number of Chairs, its aids from the Provincial Government were very small, and its real estate could not be rendered productive, except gradually. In 1856, therefore, an appeal was made to the Citizens of Montreal to sustain it by subscriptions and permanent endowments.

To this appeal a most hearty and liberal response was made, as is shown by the list of benefactions in the Calendar of the University, headed by the endowment of the Molson Chair of English Literature. In subsequent years this liberality was followed up by other benefactions, including, besides contributions to the general funds and to the Faculty of Applied Science, the endowment of the Peter Redpath, Logan and John Frothingham Chairs, the erection of the William Molson Hall and other buildings, the endowment of many Scholarships, Medals and Prizes.

By these aids and the careful administration of the estate of the founder, the assets of the University have been raised from a very small amount to over $600,000, and its annual income from all sources to a sum of about $39,000. It has thus been enabled, by limiting its expenditures to the more essential requirements of educational work, to attain a position second to that of no University in the Dominion, and to develop its means of instruction in the Faculty of Arts and the Professional Faculties, on a scale not previously attempted in this country, and with the most encouraging results in respect to its number of students and graduates and the educational benefits actually conferred. It has also been enabled to promote the establishment and further the success of Theological Colleges, which are of the utmost value to the leading Protestant denominations of this Province. It has obtained large donations of books, specimens and apparatus for the use of the public, and latterly, through the munificence of Mr. Peter Redpath, it has been enabled to associate with itself the great Museum which bears his name, and which will be to all time one of the most attractive and useful of the educational and economic institutions of the city.

It is to be observed, however, that the revenue of the University has at no time been more than barely sufficient for its maintenance, and that the most rigid economy has been necessary in order to enable the staff and appliances required for its actual work to be supported. It has hence arisen, that through the demands for improvement in educational facilities, along with the necessity within a few years past of making certain large capital payments connected with the estate and its burdens, the Governors have found that a deficit which has appeared in the published accounts of the two past years, but which they had hoped would have been effaced by new sources of income, threatens, owing to the recent and heavy fall in the rate of interest receivable on all investments, to increase to such an amount that it has become a serious question whether they will be

justified in impairing the capital by the continuance of educational work on its present scale.

As to the present position of the University funds, it may be stated shortly, that while the assets stand at about $600,000, of this sum about $200,000 represents the amounts on the books (below the real values), at which stand the Buildings, Library, Specimens, Apparatus, and other items which do not yield revenue, and that about $400,000 is the amount of revenue-producing investments. As to the revenue, it cannot at present be estimated at more than $37,000, composed as follows:—about $25,500 interest from investments, about $5,000 from Government and other grants, while the remainder is receivable from annual subscriptions, fees, and other minor sources. This revenue would involve, on the recent scale of expenditure, a deficit for the coming year of over $6,500.

After much anxious deliberation, and weighing carefully the resources of the University, and the loss of usefulness and prestige certain to result from any diminution of the staff of instructors or their salaries, the Governors have resolved to retrench all expenditures that can be diminished without serious loss of efficiency, though by so doing they cannot avoid somewhat lessening the attractiveness of the University to students, but to postpone for one year any more serious retrenchments, in the hope that as heretofore the friends of education may come to their aid.

They feel that they are the more justified in this course by the fact that the demand for higher education and for extension rather than diminution of the facilities offered, was never so great as at present, and that any recession from the position occupied by McGill University, could not fail to place it at a disadvantage in relation to other institutions, and to have an effect detrimental to the interests of this city, and of the Protestant population of the Province.

For these reasons they have decided to bring the claims of the University again under the notice of the public, and to ask, with a view of placing it in a secure position, and of enabling it to sustain its present usefulness, a further endowment of not less than $150,000. Failing this, they will be obliged, however reluctantly, to enter on a course of severe retrenchment and of diminution of the courses of study offered by the University.

Before calling personally on the friends of education, they desire to place before them this statement, in the hope that it may prove effectual in securing the desired aid, and they would venture to suggest the following methods in which such aid may be most advantageously given.

1. By endowment of any Professorship at present existing and not endowed, to the extent of not less than $2,000 per annum. Chairs so endowed will bear the names of the founders, or such other names as they may designate.

2. By contributions of sums to be invested for the general maintenance of the University. For each such donation of not less than $1,000, the donor may obtain the perpetual presentation to a free tuition in the Faculty of Arts. For smaller donations, free tuitions for periods corresponding to the amounts, may be obtained, if desired. These free tuitions are now becoming valuable, as those already existing are in demand, and they are of special importance as aids to poor students, and to the students of the affiliated Theological Schools.

3. By the foundation of Library, Museum, or Apparatus Funds, for the maintainence and improvement of these essential appliances of the University; such funds to bear the names of the donors.

4. By annual subscriptions in aid of any of the operations of the University, for a term of years, or during the life of the donor.

While there are other objects to which the liberality of educational benefactors may be directed, the above are especially indicated as those which would give relief in the present financial exigency.

It is the earnest wish and intention of the Board of Governors to reserve the whole of the present College Grounds for educational purposes in connection with the University, provided that the amounts now to be subscribed should prove sufficient to enable it to take this course.

The names of all donors will be entered and maintained on the published list of Benefactors of the University.

The Governors would earnestly invite the attention of their fellow-citizens to this appeal, as relating to an object which they believe to be of paramount importance. They hope at an early date to take a public opportunity of giving more full explanations to the friends of the University, and in the mean time they will be glad to afford any further information which may be desired as to its present financial position, and as to the precise directions in which aid is most urgently required.

On behalf of the Board of Governors,

CHARLES D. DAY, LL.D., D.C.L.,

Chancellor, and President of the Board of Governors.

July, 1881.